

LNF & IHCIF Calculations Illustration - GREENVILLE in California area -

Given Data

- 1,208 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 55% = % Expenditures on purchased services, 45% = % expenditures in-house
- 109.6% = Cost index for purchasing health care in this geographic area
- 133.1% = Size cost index for in-house costs due to small or large size
- 95.9% = California area cost index for health status above or below average

Cost Adjustment Calculations

- \$1,797 per person for purchased services = $55\% * 109.6\% * \$2,980$
- \$1,785 per person for in-house services = $45\% * 133.1\% * \$2,980$
- \$3,581 per person total = \$1,797 (purchase) + \$1,785 (in-house)
- **\$3,435 per person total** adjusted for health status = $\$3,581 * 95.9\%$
- **\$2,690 per person net cost** = $\$3,435 - \745 Other resources (M&M&PI)

Existing Expenditures (for 1,208 users excluding wrap-around and collections)

- \$640 per person = local IHS allowance (excludes \$ for wrap-around)
- \$222 per person = expenditures elsewhere in California area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$915 per person for OU users** = $\$640 + \$222 + \$54$

LNF Calculation

- **26.6% Gross LNF** = $\$915$ (expenditures) / $\$3,435$ total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **34.0% Net LNF** = $\$915 / \$2,690$ net cost ($\$3,435 - \745 other)

IHCIF Allocation

- \$844,372 = \$ to raise LNF% from 34.0% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction = $\$9,000,000$ fund / $\$258,040,100$ needed
- **\$29,452 Allocation** = $\$844,372$ needed for 60% * 3.488% IHCIF fraction

GREENVILLE Unmet Needs

- **\$3,250,098 Net Total Need** = 1,208 users * \$2,690 net cost
- **\$2,144,411 Net Unmet Need** = $(100\% - 34.0\% \text{ LNF}) * 1,208 \text{ users} * \$2,690 \text{ net cost}$